
COLORADO DEPARTMENT OF
HEALTH CARE POLICY & FINANCING
**DEPARTMENT OVERVIEW &
STRATEGIC PLAN**

Presentation to
**Senate Health & Human Services and
House Health & Environment Committees**

January 13, 2011

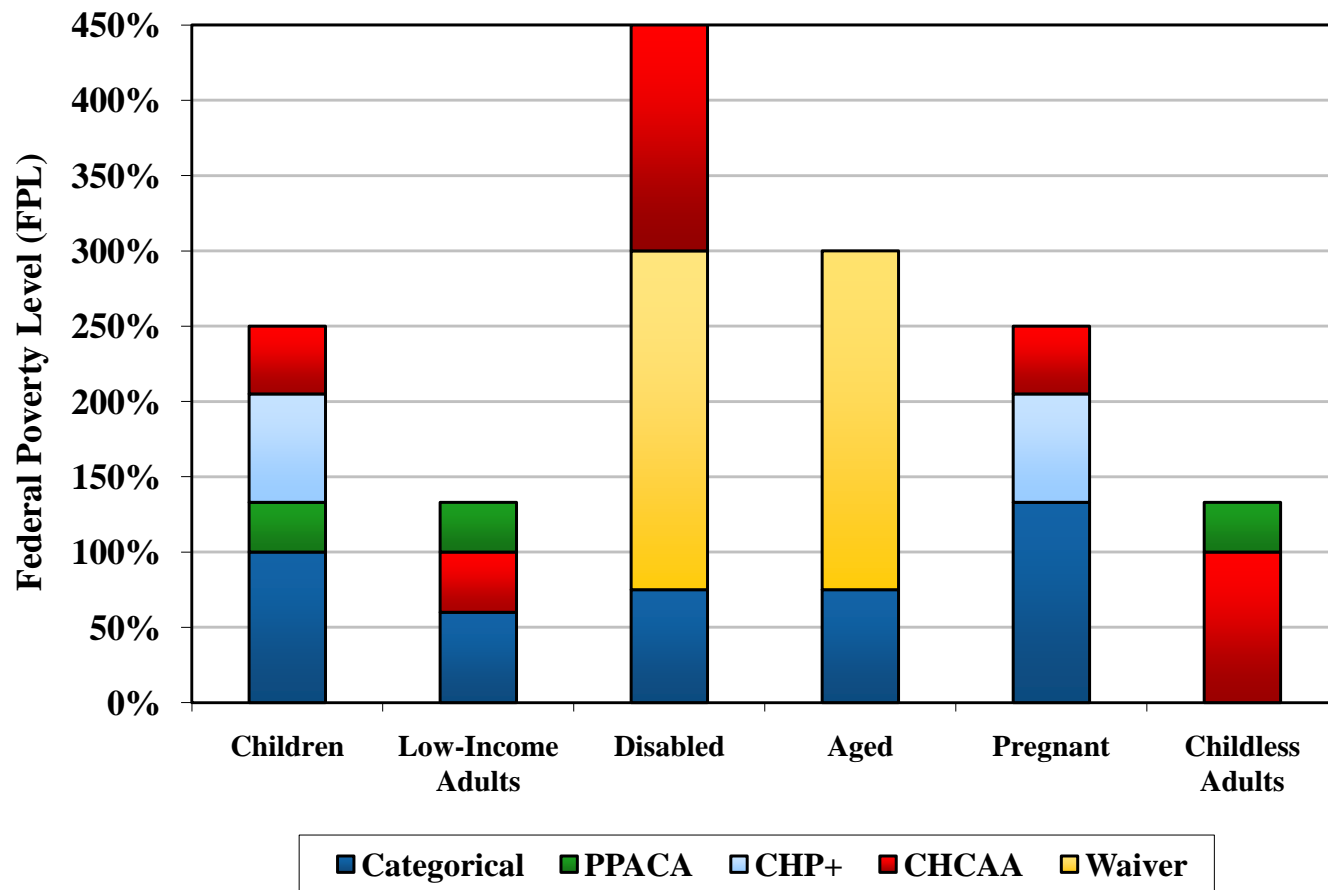


DEPARTMENT OVERVIEW

- HCPF is the federally designated agency to receive federal funds for Medicaid and CHP+
 - Administers the following programs:
 - Medicaid
 - Home and Community Based Services (HCBS) Medicaid Waivers
 - Child Health Plan Plus (CHP+)
 - Colorado Indigent Care Program (CICP)
 - Old Age Pension State Medical Program (OAP-SO)
 - Comprehensive Primary and Preventive Care Grant Program
 - Primary Care Fund
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ELIGIBILITY FOR COLORADO MEDICAID AND CHP+



MEDICAID BENEFITS

“Mandatory” Items and Services

- Physician services and medical/surgical services of a dentist
- Lab and x-ray services
- Inpatient hospital services
- Outpatient hospital services
- Early and periodic screening, diagnostic, and treatment (EPSDT) services for individuals under 21
- Family planning
- Pregnancy related services
- Rural and Federally-Qualified Health Center (FQHC) services
- Nurse midwife services
- Nursing facility (NF) services for individuals 21 or over
- Certified Nurse Practitioner services
- Home health care services
- Transportation*

*Medicaid programs must provide assurance of transportation

“Optional” Items and Services

- Prescription drugs
- Clinic Services
- Psychologist services
- Adult dental services
- Physical therapy and rehab services
- Prosthetic devices, eyeglasses
- Primary care case management
- Intermediate care facilities for the mentally retarded (ICF/MR)
- Personal care services**
- Hospice services

**Only covered as HCBS waiver service



DELIVERED THE PROMISE

2007

- Established Preferred Drug List for Medicaid
- Launched Medical Home pilot program
- Expanded mental health benefits in the small group private market
- Invested in immunizations
- Launched anti-obesity & rural health initiatives with private sector partners

2008

- Expanded CHP+ eligibility
- Provided Medical Homes for Medicaid & CHP+ kids
- Began Eligibility Modernization
- Increased Medicaid reimbursement rates
- Established CIVHC
- Made Health IT investment through CORHIO
- Required standard health plan ID cards
- Established consumer resource website
- Launched CRICC program
- FY 2008-09 Budget Reductions of \$21.4M TF

2009

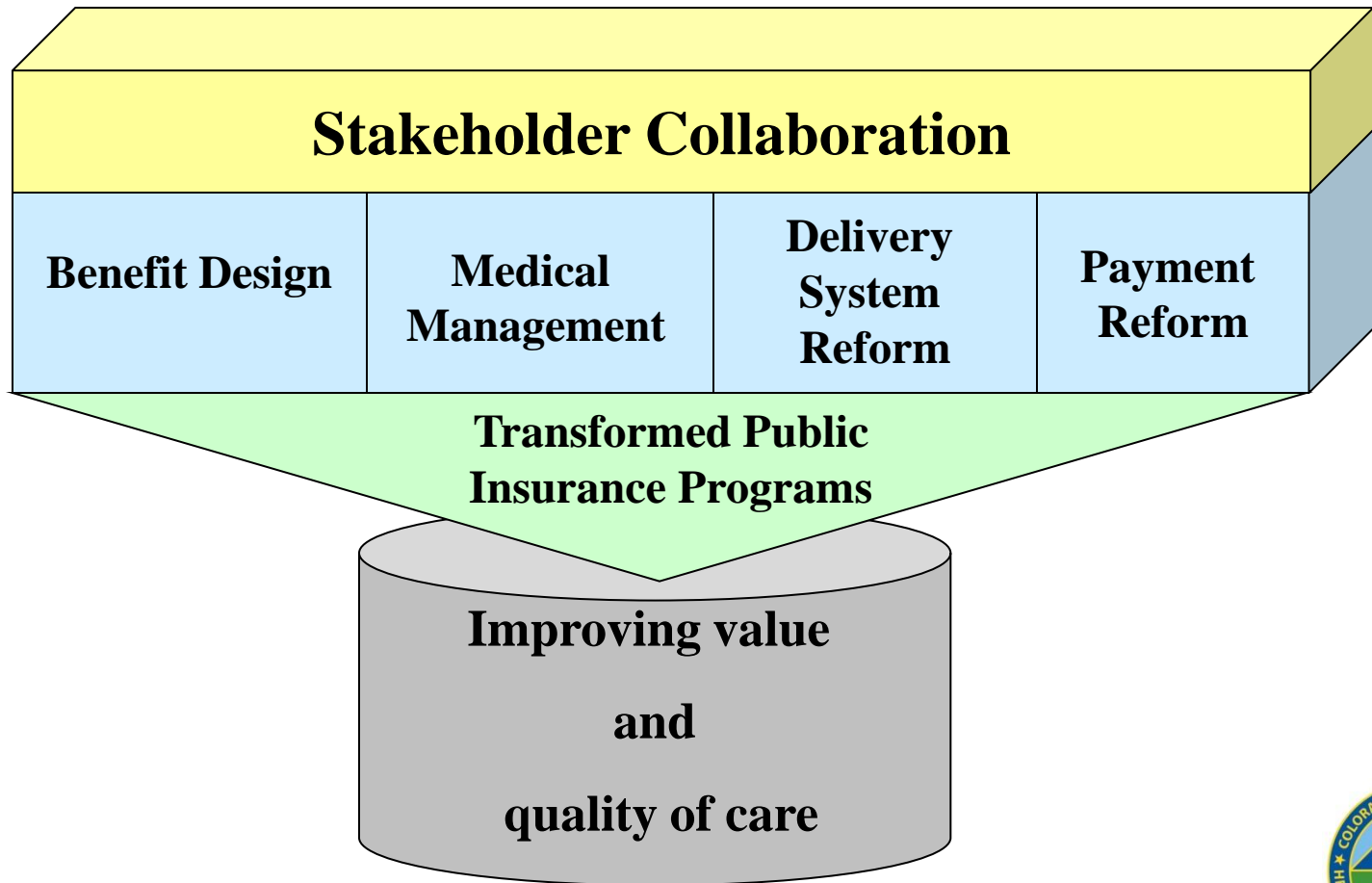
- ARRA
- Medicaid Program Efficiencies
- ACC
- CHCAA
- CO-CHAMP
- FY 2009-10 Budget Reductions of \$169.7M TF

2010

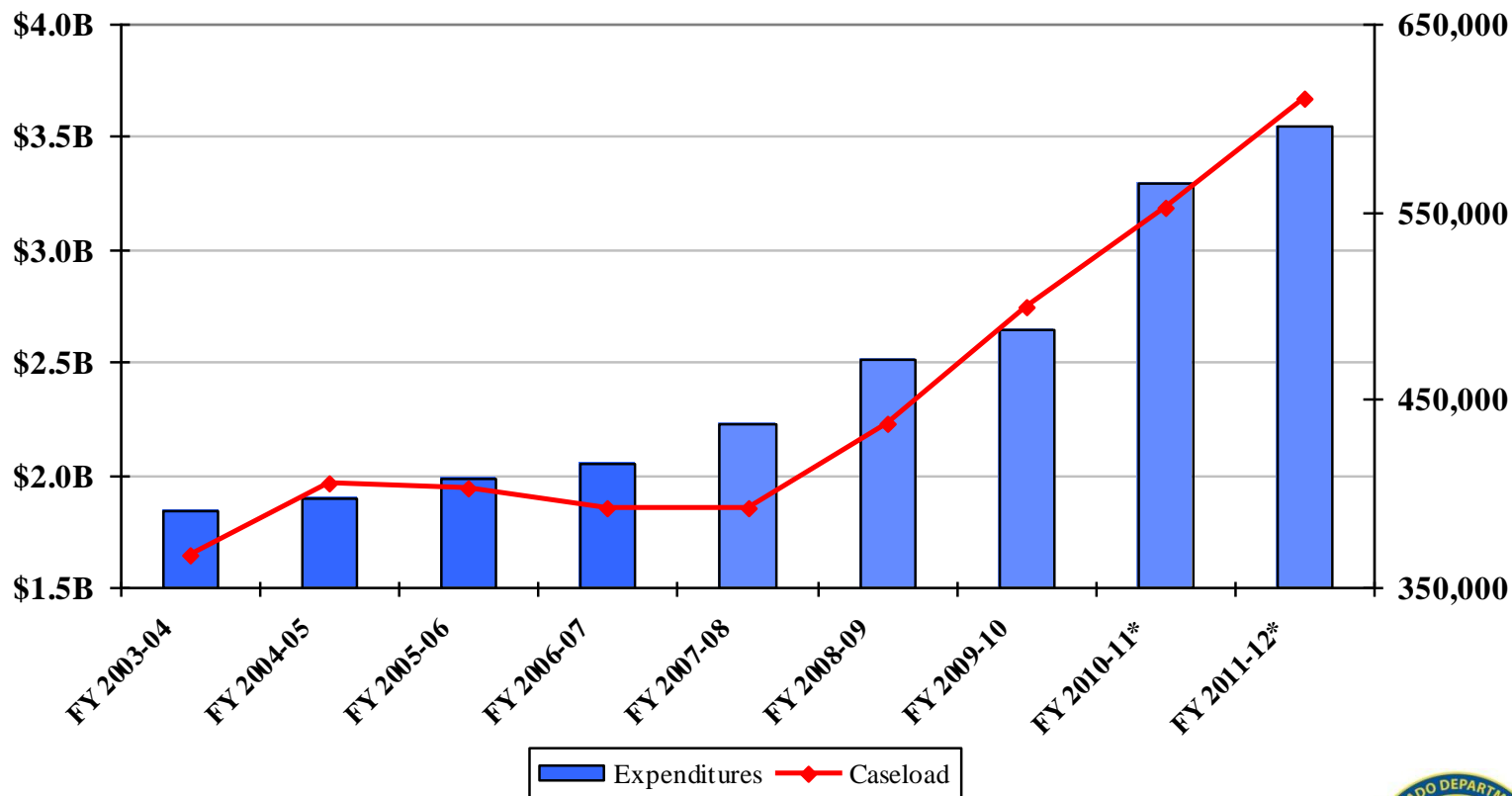
- ARRA HITECH
- Medicaid Efficiencies Act
- EGUR
- Benefits Collaborative
- False Claims Act
- FY 2010-11 Budget Reductions of \$276.3M TF



IMPROVING VALUE & QUALITY OF CARE IN MEDICAID



MEDICAID EXPENDITURES



* Projections from the Department's November 1, 2010, Budget Request



MEDICAID EXPENDITURES

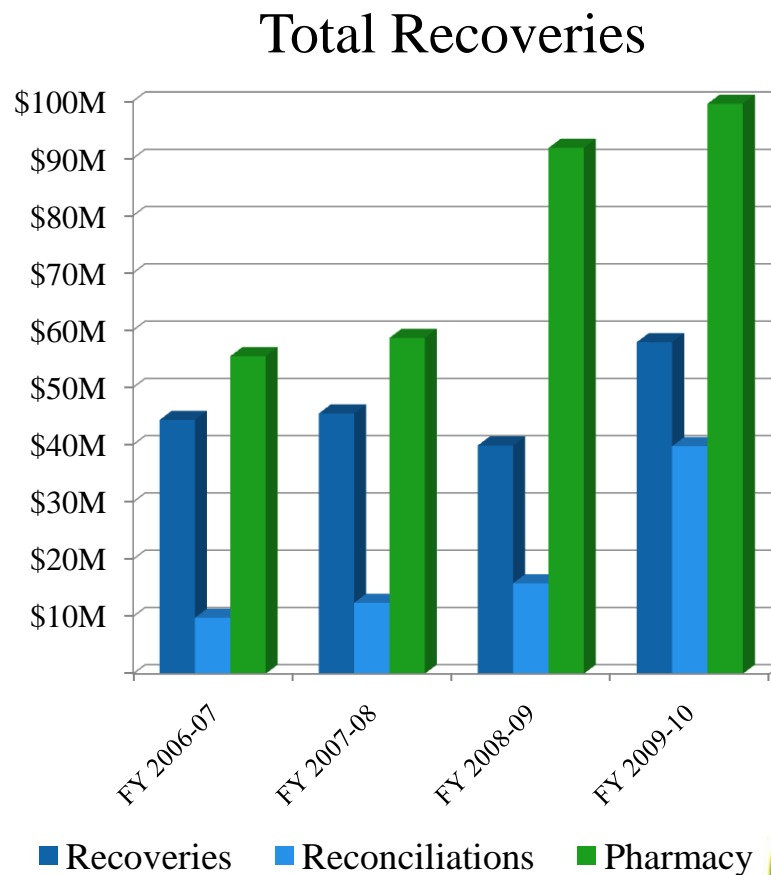
Medical Services Premiums Growth			
	Expenditure Growth	Caseload Growth	Per-Capita Growth
FY 2004-05	2.80%	10.46%	-6.95%
FY 2005-06	4.71%	-0.94%	5.71%
FY 2006-07	3.33%	-2.48%	5.96%
FY 2007-08	8.72%	-0.07%	8.79%
FY 2008-09	12.64%	11.44%	1.07%
FY 2009-10	5.34%	14.19%	-10.90%
FY 2010-11*	24.74%	10.58%	-0.26%
FY 2011-12*	7.69%	10.60%	-1.99%

** Projections from the Department's November 1, 2010, Budget Request*



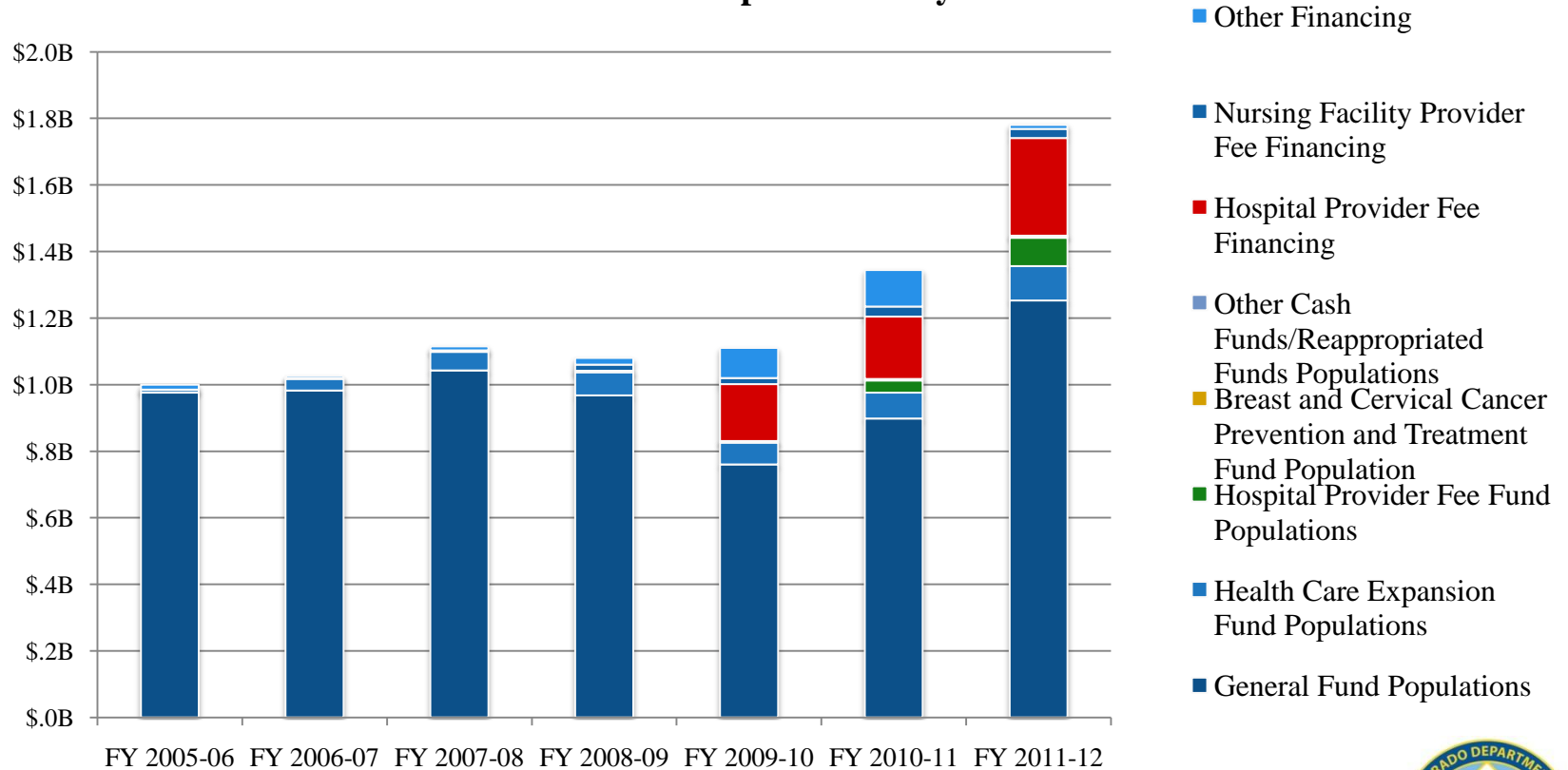
DEPARTMENT RECOVERIES

- Recoveries include:
 - Program Integrity Provider Recoveries
 - Estate Recovery
 - Trusts/Repayment
 - Tort/Casualty
 - Postpayment
- Reconciliations include:
 - HMO/PACE Recoveries
 - Hospital Cost Settlements
 - Mental Health Reconciliations
 - Nursing Facility Recoveries



MEDICAID EXPENDITURES BY FUND SOURCE

Medicaid State Fund Expenditures by Fund Source



FY 2011-12 HCPF ADMINISTRATION BUDGET

- HCPF Budget Request without DHS Programs:
 - \$4.75B total funds, \$1.3B General
- Total HCPF Administration:
 - \$150.2M total funds, \$41.2M General Fund (3.2%)
- Total HCPF Payroll:
 - \$24.6M total funds, \$8.5M General Fund (0.5%)
- Medical Loss Ratio: 95.2%



IMPROVING HEALTH IN HEALTH CARE

- Center for Improving Value in Health Care (CIVHC)
- ARRA HITECH
- Federal Health Care Reform



HCPF STRATEGIC PLAN

- Development process incorporates:
 - Annual Budget Request version of Strategic Plan
 - Colorado Health Care Affordability Act (HB 09-1293) expansion population targets
 - National health care reform implementation
 - Stakeholder involvement



HCPF STRATEGIC PLAN

DEPARTMENT PERFORMANCE MEASURES BY FISCAL YEAR					
OBJECTIVES	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Increase the Number of Insured Coloradans	• 84% of Coloradans Insured.	• 86% of Coloradans Insured.	• 89% of Coloradans Insured.	• 92% of Coloradans Insured.	• 95% of Coloradans Insured.
	• 92% of Colorado children insured.	• 94% of Colorado children insured.	• 96% of Colorado children insured.	• 97% of Colorado children insured.	• 99% of Colorado children insured.
	• 77% of Colorado adults insured.	• 79% of Colorado adults insured.	• 81% of Colorado adults insured.	• 83% of Colorado adults insured.	• 85% of Colorado adults insured.
	• 75% of eligibles are enrolled in Medicaid/CHP+.	• 80% of eligibles are enrolled in Medicaid/CHP+.	• 85% of eligibles are enrolled in Medicaid/CHP+.	• 90% of eligibles are enrolled in Medicaid/CHP+.	• 95% of eligibles are enrolled in Medicaid/CHP+.
Improve Health Outcomes	<ul style="list-style-type: none"> • Establish baseline data for the performance measures in FY 2011-12 through FY 2014-15. • 0.75% of provider payments are linked to outcomes. 	<ul style="list-style-type: none"> • Reduce the proportion of children with dental caries to <50%. • 1.25% of provider payments are linked to outcomes. 	<ul style="list-style-type: none"> • Reduce the proportion of children regularly exposed to tobacco smoke to < 25%. • 2% of provider payments are linked to outcomes. 	<ul style="list-style-type: none"> • Reduce the proportion of clients with obesity to <20%. • Reduce tobacco use during pregnancy from 19% to 2%. • 70% of adult population reports being in excellent or very good physical health. • 3.25% of provider payments are linked to outcomes. 	<ul style="list-style-type: none"> • Move out of the bottom quartile for adolescent depression (Colorado ranks 50th among other states) to a ranking that is 37th or better. • 5% of provider payments are linked to outcomes. • Increase the percentage of the non-smoking population from 63% to 82%.
Increase Access to Health Care	• 40% of Medicaid clients will have a medical home or focal point of care.	• 55% of Medicaid clients will have a medical home or focal point of care.	• 75% of Medicaid clients will have a medical home or focal point of care.	• 90% of Medicaid clients will have a medical home or focal point of care.	• 100% of Medicaid clients will have a medical home or focal point of care.
Contain Health Care Costs	<ul style="list-style-type: none"> • Launch Hospital Quality Incentive Payments, Physician Payment Reform and Waiver Rate Reform. • Implement the Evidence Guided Utilization Review contract. • Reduce emergency room costs by 5% without reducing quality of care. 	<ul style="list-style-type: none"> • Complete Phase I of Accountable Care Collaborative. • Implement Benefits Collaborative, Correct Coding Initiative, and Behavioral Health Organization payment reform. • Achieve target for readmission reduction of 5% @ 30 days. 	<ul style="list-style-type: none"> • Scale Accountable Care Collaborative to entire state. • Implement payment reform for Home Health agencies and Federally Qualified Health Centers. • Audit Community Mental Health Centers. 	<ul style="list-style-type: none"> • Achieve community savings under the Accountable Care Collaborative; reproduce Behavioral Health Organization contracts. • Establish statewide Health Information Technology infrastructure. 	<ul style="list-style-type: none"> • Reduce or stabilize utilization of the top 10 cost drivers from the activities in FY 2010-11 through FY 2013-14 (as measured by units of events per 1,000 from FY 2008-09 baseline).
Improve the Long-Term Care Service Delivery System	<ul style="list-style-type: none"> • Develop benchmarks for the Home and Community Based Services (HCBS) report card with client input. • Identify baseline for nursing homes. • Initiate new contracting requirements and oversight to make more efficient use of vendors. 	<ul style="list-style-type: none"> • Complete development of benchmarks for HCBS report card, identification of baseline for nursing homes, and new contracting requirements. • Audit Department of Human Services, Single Entry Points, and Community Centered Boards for financial accountability. 	<ul style="list-style-type: none"> • Complete an interim report card on progress to date for nursing homes and HCBS. • Competitively procure HCBS management organizations and address waiver inefficiencies (may include creating super waivers, one for adults and one for children). 	<ul style="list-style-type: none"> • Eliminate the waiting list for HCBS. 	<ul style="list-style-type: none"> • Every nursing home in Colorado scores in the top quartile of the Centers for Medicare & Medicaid Services National Report Card. • All HCBS case management organizations score at least 90% on the state quality report card.



HCPF STRATEGIC PLAN

- Goals/Objectives
 - Increase the number of insured Coloradans
 - Improve health outcomes
 - Increase access to health care
 - Contain health care costs
 - Improve long-term care (LTC) service-delivery system



HCPF STRATEGIC PLAN

- Increase Number of Insured Coloradans
 - FY 2010-11 Performance Measures
 - 92% of Colorado children insured
 - 84% Coloradans insured
 - 77% Colorado adults insured
 - FY 2009-10 Performance Actuals
 - *Benchmark*: Add 7,000 clients to CHP+
 - *Actual*: Added 7,039 clients to CHP+



HCPF STRATEGIC PLAN

- Improve Health Outcomes
 - FY 2010-11 Performance Measures
 - All managed care HEDIS measures \geq national Medicaid average
 - 0.75% of provider payments are linked to outcomes
 - FY 2009-10 Performance Actuals
 - *Benchmark*: 100% of HEDIS measures for managed care \geq national Medicaid average
 - *Actual*: 67% \geq national Medicaid average (no change from FY 2008-09)



HCPF STRATEGIC PLAN

- Improve Access to Health Care
 - FY 2010-11 Performance Measures
 - 40% of Medicaid clients will have a medical home or focal point of care
 - FY 2009-10 Performance Actuals
 - *Benchmark*: Enrollment of children in medical homes = 100% CHP+ and 49% Medicaid children
 - *Actual*: Enrollment = 100% CHP+ and 71% Medicaid children



HCPF STRATEGIC PLAN

- Contain Health Care Costs
 - FY 2010-11 Performance Measures
 - Launch hospital quality incentive payments
 - Launch physician payment reform
 - Launch waiver rate reform
 - Implement the evidence guided utilization review contract
 - Reduce emergency room costs by 5% without reducing quality of care
 - FY 2009-10 Performance Actuals
 - N/A (new in FY 2010-11)



HCPF STRATEGIC PLAN

- Improve LTC Service-Delivery System
 - FY 2010-11 Performance Measures
 - Develop benchmarks for HCBS report card with client input
 - Identify baseline for nursing homes
 - Initiate new contracting requirements and oversight
 - FY 2009-10 Performance Actuals
 - *Benchmark:* Enroll 324 additional clients in CDASS Program
 - *Actual:* Enrolled 432 additional clients



HCPF STRATEGIC PLAN

- Operational Plans help HCPF achieve strategic goals
 - Divisional/sectional operational plans
 - Mid-year progress reports due in January
 - Annual evaluation reports due in August
 - Inform HCPF's budgeting process & management strategies



HCPF STRATEGIC PLAN

- Performance Evaluations
 - Semi-annual reviews of operational plan performance
 - Annual reviews of strategic performance
 - Evaluations inform management
 - Basis for revision to strategies
 - Results, rationale, and revised strategies are reported in annual budget requests



HCPF STRATEGIC PLAN

- Summary
 - Results focus enhances accountability
 - Operational plans inform HCPF leadership of effectiveness of management strategies
 - Strategic plan evaluations link funding to results
 - Website: Colorado.gov/hcpf



ENACTED LEGISLATION UPDATES

- SB 10-061 “Payments for Inpatient Hospice”
 - Bill Requirements
 - Direct payment to nursing facilities for inpatient services provided to Medicaid clients for hospice care
 - Reimbursement to inpatient hospice facilities for room and board
 - Report to HHS and H&E by Jan 15, 2011, on the status of request for federal authorization



ENACTED LEGISLATION UPDATES

- SB 10-061 “Payments for Inpatient Hospice”
 - Status Report
 - Department staff is working with stakeholders
 - Received comments from hospice community
 - Department is on track to submit a concept paper to CMS late January 2011 requesting approval to submit a State Plan Amendment

